

IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
1. JOHNNY R. WATSON, and )  
 )  
2. JOVANTA L. SCHAFFER, )  
 )  
Defendants. )

INDICTMENT

CR 10-172 JRT/AJB

(18 U.S.C. § 287)

(18 U.S.C. § 1341)

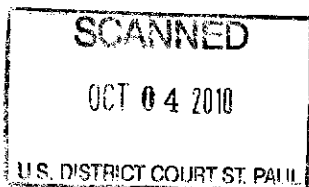
THE UNITED STATES GRAND JURY CHARGES THAT:

INTRODUCTION

A. FEMA Hurricane Katrina Disaster Assistance

1. The Federal Emergency Management Agency ("FEMA") is an agency within the Department of Homeland Security. It provides assistance to victims of disasters. To be eligible for FEMA assistance based on housing needs, the damaged home in the disaster area must be where the applicant usually lives and where the applicant was residing at the time of the disaster.

2. In response to Hurricane Katrina, which made landfall on August 29, 2005, FEMA made available to each eligible household \$2,000 in expedited disaster assistance. Those who were eligible could apply for the expedited assistance by phone or online. The \$2,000 in expedited disaster assistance was intended to help Katrina evacuees with immediate food, shelter, and clothing needs. Applicants could also qualify for a Flood Insurance Premium ("FIP").



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RICHARD D. SLETTEN  
JUDGMENT ENTD \_\_\_\_\_  
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B. The Defendants

3. JOHNNY R. WATSON, the defendant herein, is currently a resident of Houston, Texas. Between August 2005 and August 2007, WATSON resided in the St. Paul, Minnesota area.

4. On or about September 9, 2005, WATSON filed an online application with FEMA for Hurricane Katrina disaster relief benefits and listed 2406 Magnolia Street, New Orleans, LA 70113 as his primary residence damaged by Hurricane Katrina on August 29, 2005. WATSON listed himself as the only occupant at the time of the disaster.

5. On or about October 31, 2005, WATSON began identifying the address of 2406 ½ Magnolia Street, New Orleans, LA 70113 as his damaged residence on all correspondence in support of his application to FEMA for Hurricane Katrina disaster relief benefits.

6. Between September 2006 and April 2, 2008, FEMA disbursed to WATSON \$36,109.02 in housing assistance payments; \$10,391.50 in other than housing payments; and \$600 in FIP payments.

7. JOVANTA L. SCHAFFER, the defendant herein, is currently residing in Houston, Texas. Between September 2005 and August 2007, SCHAFFER resided in the St. Paul, Minnesota area with WATSON.

8. On or about September 18, 2005, SCHAFFER filed an online application with FEMA for Hurricane Katrina disaster relief benefits and listed 2406 Magnolia Street, New Orleans, LA 70113 as

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her primary residence damaged by Hurricane Katrina on August 29, 2005. SCHAFFER listed herself as the only occupant of the residence at the time of the disaster.

9. Between September 2006 and May 6, 2008, FEMA disbursed to SCHAFFER \$6,647.00 in housing assistance payments; \$10,391.50 in other than housing payments; and \$600 in FIP payments.

10. The property address of 2406 Magnolia Street, New Orleans, Louisiana, 70113, has been vacant since April 2005, and was vacant at the time of Hurricane Katrina's landfall on August 29, 2005. The owner of the property listed at this address does not know WATSON or SCHAFFER.

11. The address of 2406 ½ Magnolia Street, New Orleans, Louisiana, 70113 is an invalid address and does not now, nor did it exist, at the time of Hurricane Katrina's landfall on August 29, 2005.

#### PURPOSE OF THE SCHEME

12. It was the purpose of the scheme to obtain money unlawfully from FEMA by submitting false online applications for emergency assistance claiming property losses and damage to personal property resulting from Hurricane Katrina.

#### MANNER AND MEANS

13. It was part of the scheme and artifice to defraud that defendants, Johnny R. Watson and Jovanta L. Shaffer, each submitted

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false online applications to FEMA making a claim for disaster assistance.

14. It was further part of the scheme that the defendants, Johnny R. Watson and Jovanta L. Schaffer, represented to FEMA that their personal property was damaged by Hurricane Katrina when, in truth and in fact, their personal property was not damaged by Hurricane Katrina, and the defendants did not reside in the claimed residence at the time of the landfall of Hurricane Katrina.

15. It was further part of the scheme that the defendants, Johnny R. Watson and Jovanta L. Schaffer, falsely represented to FEMA the address of their primary residence at the time of the disaster when, in truth and in fact, the address they provided was not their primary residence when Hurricane Katrina made landfall.

16. Based on the false and fraudulent pretenses, and representations, the defendants, Johnny R. Watson and Jovanta L. Schaffer, were found eligible for FEMA disaster assistance through the Individuals and Households Program. Treasury checks were issued to Johnny R. Watson in the amount of \$10,991.50. Treasury checks were issued to Jovanta L. Schaffer in the amount of \$10,991.50.

17. It was further part of the scheme that the defendants, Johnny R. Watson and Jovanta L. Schaffer, directed FEMA to mail the disaster relief checks to addresses under their control in St.

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Paul, Minnesota.

COUNTS 1-9  
(Mail Fraud)

18. The Grand Jury realleges paragraphs 1 through 17 of the Indictment as if fully set forth herein.

19. Beginning as early as September 2005, and continuing through at least December 2007, in the State and District of Minnesota, the defendants,

**JOHNNY R. WATSON, and**  
**JOVANTA L. SCHAFFER,**

did knowingly and willfully devise and intend to devise a scheme and artifice to defraud and to obtain money and property from others by means of materially false and fraudulent pretenses, representations and promises, knowing that the pretenses, representations and promises were false when made.

20. On or about the dates specified as to each Count below, defendant, JOHNNY R. WATSON, for the purpose of executing the aforesaid scheme and artifice to defraud and to obtain money and property from others by means of materially false and fraudulent pretenses, representations and promises, did knowingly cause to be delivered by the United States Postal Service, according to the directions thereon, the items identified below in each count:

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COUNT	DEFENDANT	ON OR ABOUT DATE	DESCRIPTION OF MAILING
1	JOHNNY R. WATSON	9/10/05	United States Treasury Check no. 2221 23047487 in the amount of \$2,000 mailed to defendant JOHNNY R. WATSON's address in St. Paul, Minnesota.
2	JOVANTA L. SCHAFFER	9/25/05	United States Treasury Check no. 2221 23566776 mailed to defendant JOVANTA L. SCHAFFER's address in St. Paul, Minnesota.
3	JOHNNY R. WATSON	12/14/05	United States Treasury Check no. 2221 75314160 in the amount of \$2,358 mailed to the defendant JOHNNY R. WATSON's address in St. Paul, Minnesota.
4	JOHNNY R. WATSON	12/28/05	United States Treasury Check no. 2221 75627806 in the amount of \$10,391.51 mailed to the defendant JOHNNY R. WATSON's address in St. Paul, Minnesota.
5	JOVANTA L. SCHAFFER	12/28/05	United States Treasury Check no. 2221 75627494 in the amount of \$10,391.51 mailed to the defendant JOVANTA L. SCHAFFER's address in St. Paul, Minnesota.

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COUNT	DEFENDANT	ON OR ABOUT DATE	DESCRIPTION OF MAILING
6	JOHNNY R. WATSON	1/11/06	United States Treasury Check no. 2221 24786416 in the amount of \$2,289 mailed to the defendant JOHNNY R. WATSON's address in St. Paul, Minnesota.
7	JOVANTA L. SCHAFFER	2/15/06	United States Treasury Check no. 2221 76058271 in the amount of \$2,000 mailed to the defendant JOVANTA L. SCHAFFER's address in St. Paul, Minnesota.
8	JOHNNY R. WATSON	10/31/06	United States Treasury Check no. 2221 78609178 in the amount of \$2,065.49 mailed to defendant JOHNNY R. WATSON's address in St. Paul, Minnesota.
9	JOVANTA L. SCHAFFER	3/1/06	United States Treasury Check no. 2221 25292731 in the amount of \$2,289 mailed to defendant JOVANTA L. SCHAFFER's address in St. Paul, Minnesota.

All in violation of Title 18, United States Code, Section 1341.

**COUNT 10**  
(False Claim)

21. On or about September 9, 2005, in the State and District of Minnesota, the defendant,

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**JOHNNY R. WATSON,**

made a material claim against and upon FEMA, an agency of the United States, for Hurricane Katrina disaster assistance benefits, knowing that the claim was false, fictitious, and fraudulent in that his primary residence was not, as the Defendant stated in his claim, 2406 Magnolia Street, New Orleans, Louisiana, and Hurricane Katrina did not, as the Defendant stated in his claim, cause him an essential need for food, shelter, and clothing.

All in violation of Title 18, United States Code, Section 287.

**COUNT 11**  
(False Claim)

22. On or about September 18, 2005, in the State and District of Minnesota, the defendant,

**JOVANTA L. SCHAFFER,**

made a material claim against and upon FEMA, an agency of the United States, for Hurricane Katrina disaster assistance benefits, knowing that the claim was false, fictitious, and fraudulent in that her primary residence was not, as the Defendant stated in her claim, 2406 Magnolia Street, New Orleans, Louisiana, and Hurricane Katrina did not, as the Defendant stated in her claim, cause her an essential need for food, shelter, and clothing.

All in violation of Title 18, United States Code, Section 287.

A TRUE BILL:

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UNITED STATES ATTORNEY

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FOREPERSON